MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

ANNUAL REPORT
1991

Municipal Finance Authority of British Columbia

200 INTERNATIONAL HOUSE, 880 DOUGLAS STREET, VICTORIA, B.C. V8W 2B7

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FRONT COVER: Vargas Island, Alberni-Clayoquot Regional District BACK COVER: Checeslet Bay, Comox-Strathcona Regional District

Bugaboo Spire, Bugaboo Park, East Kootenay Regional District *Courtesy Province of B.C.*

92-04173/

Financial Highlights

THOUSANDS OF DOLLARS

	1991	1990
CAPITAL FINANCING		
AT DECEMBER 31:		
Total assets–combined funds	**1,571,580**	1,474,391
Loans to Regional Districts outstanding	**1,141,183**	1,113,342
Long-term debt outstanding	**1,284,615**	1,229,249
Sinking funds	**136,004**	120,116
Long-term debt, net	**1,148,611**	1,109,133
Debt Reserve Fund	**160,576**	152,845
Investments* (including sinking funds)	**457,962**	378,127
IN THE YEARS ENDED DECEMBER 31:		
New loans to Regional Districts	**87,129**	49,633
Loan repayments from Regional Districts	**59,241**	55,508
New debt issued	**87,000**	99,625
Debt retired	**31,634**	91,064
Investments income	**44,658**	37,982
Interest paid	**138,682**	137,041
POOLED INVESTMENTS		
AT DECEMBER 31:		
Money Market Fund–Net assets	**273,521**	130,292
Bond Fund–Net assets	**70,002**	33,355
INTERIM FINANCING		
AT DECEMBER 31:		
Loans to Regional Districts and Municipalities outstanding	**3,683**	400

* Includes $31,535,000 invested in the Pooled Investment Funds (1990–$726,000)

Members and Officers 1991

MEMBER	REGIONAL DISTRICT
H. Anderson	*Alberni-Clayoquot*
G. E. McFee	*Bulkley-Nechako*
J. Atkins	*Capital*
H. Volk	*Capital*
D. Brecknock	*Cariboo*
B. Lande	*Central Coast*
G. Ferguson	*Central Fraser Valley*
G. B. Cady	*Central Kootenay*
S. Simpson	*Central Okanagan*
G. Abbott	*Columbia Shuswap*
J. Turner	*Comox-Strathcona*
M. Coleman	*Cowichan Valley*
B. Morse	*Dewdney-Alouette*
R. Tarr	*East Kootenay*
D. Edwards	*Fort Nelson-Liard*
J. Les	*Fraser-Cheam*
J. Backhouse	*Fraser-Fort George*
D. R. Corrigan	*Greater Vancouver*

MEMBER	REGIONAL DISTRICT
D. T. Driscoll	*Greater Vancouver*
J. M. Dykeman	*Greater Vancouver*
W. A. Fomich	*Greater Vancouver*
G. C. Halsey-Brandt	*Greater Vancouver*
L. Sekora	*Greater Vancouver*
A. Maitland	*Kitimat-Stikine*
D. Swanson	*Kootenay Boundary*
G. Popovich	*Mount Waddington*
P. Reitsma	*Nanaimo*
E. Shipmaker	*North Okanagan*
G. Norton	*Okanagan-Similkameen*
C. Lasser	*Peace River*
A. Lloyd	*Powell River*
P. J. Lester	*Skeena-Queen Charlotte*
R. D. Cumming	*Squamish-Lillooet*
P. Connor	*Sunshine Coast*
C. M. Marshall	*Thompson-Nicola*

DRISCOLL

FOMICH

LASSER

McFEE

SIMPSON

VOLK

BOARD OF TRUSTEES

R. D. Cumming, *Chairman*

W. A. Fomich
D. T. Driscoll
C. Lasser
G. E. McFee
S. Simpson
H. Volk

OFFICERS

Chairman
R. D. Cumming

Acting Chairman
W. A. Fomich

Secretary-Treasurer
J. R. Craven

Deputy Secretary-Treasurer
W. C. Greer

AUDITORS

Peat Marwick Thorne
Victoria, B.C.

SOLICITOR: BOND COUNSEL

C. Holmes
Farris, Vaughan, Wills & Murphy
Vancouver, B.C.

SOLICITOR: GENERAL COUNSEL

R. T. Bryant
Brian C. Roberts & Co.
Victoria, B.C.

CUMMING

Chairman's Report 1991

To the members of the Municipal Finance Authority of British Columbia

It certainly is a pleasure to file the twenty-first annual report of the Municipal Finance Authority of British Columbia.

1991 has been an interesting year! Much that has happened in the past year has potential to build solid foundations for the future. Although it is accurate to observe that we in B.C. had a brush with a recession, it was much less severe than in Eastern Canada. Approximately 80% of Canada's job loss occurred in one Province alone–Ontario. Here in B.C., we have two factors working in our favour. Firstly, we have seen a dramatic change in our export patterns. In years gone by, we were heavily dependent upon the U.S. for our earnings, whereas today 50% of our exports go to Pacific Rim countries. The second factor is a change in what we do. B.C. has traditionally been a resource-based economy, and while this is still largely true, by far the majority of new jobs are in the information and service industries. This new diversity has undoubtedly cushioned us in 1991.

Canada now has the lowest inflation rate of all the G7 countries. As a result of good economic fundamentals, the Canadian dollar remained a currency of choice world wide throughout most of the year. This tells us something about the country as it is viewed from afar. As Canadians, when we get down on Canada, we should look around the world at the alternatives. The Canadian dollar will continue to be an important stabilizing factor in an

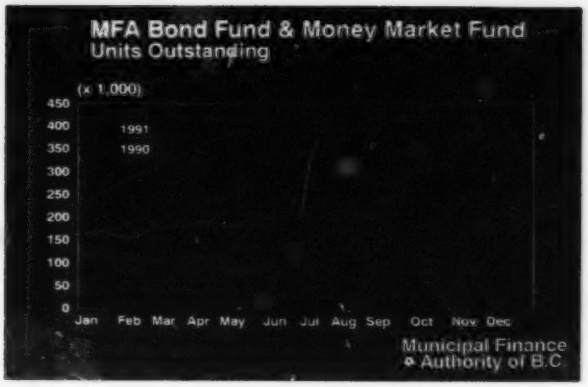


Figure 1

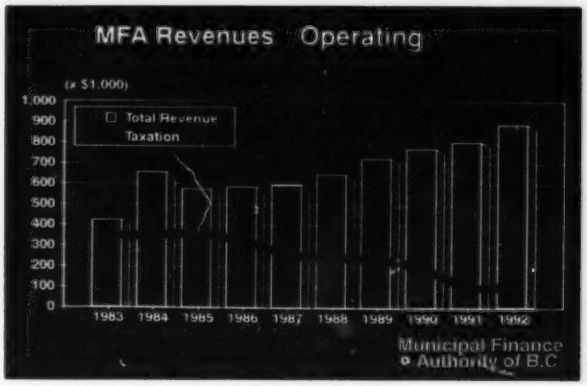


Figure 2

unstable world provided we, as Canadians, are large enough to encompass the various views in our vast country.

Canada now has the lowest interest rates in 20 years and a strong currency to go with it! This combination will continue to provide a strong base for economic recovery.

Perhaps 1991 will be remembered by the man in the street as the year mortgages became affordable again.

At the Municipal Finance Authority, 1991 was a positive year. We almost doubled the size of the Bond Fund and the Money Market Fund. (Figure 1)

1991 was a year when the Bond Fund returned 19% to its investors, after all costs, the Money Market Fund returned 10% also after cost. We experienced almost 100% growth in both Funds. In addition, management revenue flowed through to our operating statement decreasing our dependence on tax levies and generating potential dividends. (Figure 2)

Your Board of Trustees policy is to remain on the tax roll for at least 10% of our overall costs of operation. As a result of the growth of our financial products, this policy will produce a dividend from time to time which will flow back to investment pool users. Both pools have exceeded growth expectations and this is likely to continue. This year we are seeking new legislation to satisfy other requests to use the pools from public institutions in B.C. like hospitals, schools, universities and colleges. We have sponsorship for this legislation from both the Ministries of Municipal Affairs and Finance.

In 1991 we initiated proceedings to take advantage of a strong Canadian dollar and low Canadian interest rates to call $66 million of U.S. Pay bonds. (Figure 3)

We intend to continue the conversion of U.S. to Canadian currency policy as long as this window of opportunity remains with us. In the past we have agonized over the high cost of hedging U.S. dollar borrowings. This very successful refinancing operation will enable us to lock in substantial savings. (Figure 4)

Success to us as a body never means growth for growth's sake. We exist to cause innovative pressure in the market place resulting in a decline in your cost of money. Our growth in products has been achieved with no increase in staff largely because the products are contracted out to the private sector. Our staff component remains at five people (plus a student worker). Staff size may need to change in future if continued growth of the type experienced the last three years were to persist but with our present practice of contractin, out perhaps continued growth can be our experience with no staff increases. We are on new ground and will have to monitor this closely. We have several studies underway to once more upgrade our systems. These will guide us in this period of growth, change and innovation.

This substantial increase in services and in range of products could not be achieved without the active and cheerful acceptance of new responsibilities by your small and immensely competent staff.

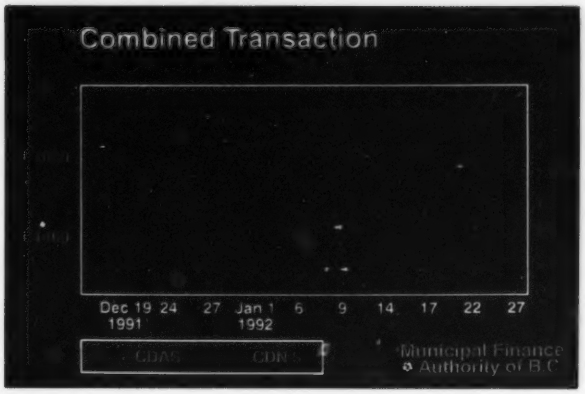


Figure 3

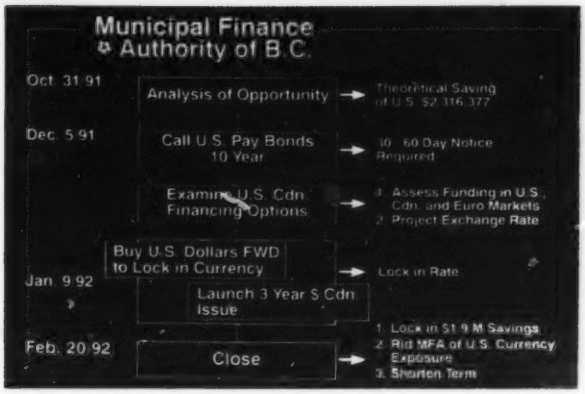

Municipal Finance
Authority of B.C.
Oct. 31 91
Analysis of Opportunity
Theoretical Saving of U.S. $2,316,377
Dec. 5 91
Call U.S. Pay Bonds 10 Year
30 - 60 Day Notice Required
Examine U.S. Cdn. Financing Options
3. Assess Funding in U.S., Cdn. and Euro Markets
2. Project Exchange Rate
Buy U.S. Dollars FWD to Lock in Currency
Lock in Rate
Jan. 9 92
Launch 3 Year $ Cdn. Issue
1. Lock in $1.9 M Savings
2. Rid MFA of U.S. Currency Exposure
3. Shorten Term
Feb. 20 92
Close

Figure 4

Another product offered to local government is our Interim Borrowing Pool. As of January 1, 1992, we cut our lending rate by 1/16% on the Pool to prime minus 9/16ths. Still, many municipalities are borrowing at prime rate, but we note a continued use of the Borrowing Pool. As this facility grows, we will also keep the concept of a commercial paper program current in our planning. At this point we do not have the required volume. This could change more quickly than anticipated as our new partners are permitted to access our facilities.

New long term capital borrowing requirements were met in the spring and fall. In March we raised $46 million in the Canadian market by way of a 9 7/8%/10 1/4% series of 15-year debentures. The 15-year debentures are retractable at the holder's option in 1996. In September we borrowed $41,000,000 five year 9 1/2% debentures due October 31, 1996. Both issues were well received by the public as the MFA continues to enjoy excellent credit ratings. (Figure 5)

At the end of 1991 the MFA debt comprised 83.9% in Canadian funds; 16% in U.S. funds and 0.08% in Swiss francs and 0.02% in Deutschemarks. If we look at the standings at the close of the last issue, February 20, 1992, our debt comprised 89% in Canadian funds and 10.9% in U.S. funds.

At December 31, 1991, long-term debt outstanding of the Authority was $1.28 billion. During 1991, payments of principal and interest in excess of $210 million were received from the regional districts and municipalities. At December 31, 1991, investments managed by our own staff totalled $458 million, broken down as follows:

Debt Reserve Fund	$62 million
Sinking and other Debt Servicing Funds	$396 million
Interest earnings in 1991 were	$44.658 million

The types of investment securities which may be held by MFA are regulated by the Act. At December 31, 1991, the Authority's portfolio consisted of $74.2 million of securities of or guaranteed by the Government of Canada, $240.7 million of securities of or guaranteed by provincial governments, $18.0 million of securities of or guaranteed by Canadian chartered banks, $2.4 million of securities of or guaranteed by British Columbia credit unions, $33.9 million of securities of municipal governments in Canada and $88.8 million of obligations of the Authority.

Also, at December 31, 1991, investments managed by our Fund Manager, Phillips, Hager & North Ltd., totalled $335 million broken down as follows:

Money Market Fund	$273 million
Bond Fund	$62 million

Another interesting figure in 1991 is the $4.925 million of the Debt Reserve Fund contributions and earnings returned to our constituents. In the early years of the Authority, the legislation called for regional districts and municipalities to make their contribution to the Debt Reserve Fund wholly in cash. After the first five bond issues, the legislation was changed to set the cash contribution at 1% of the principal amount borrowed with the balance

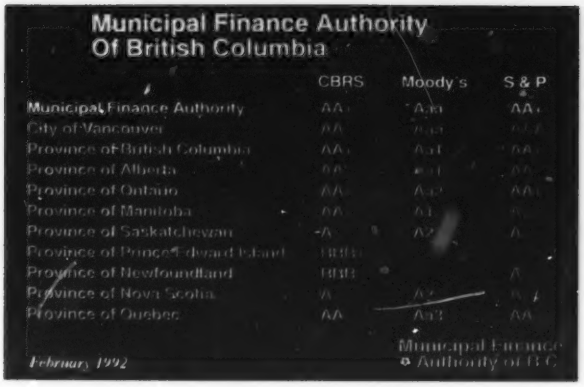
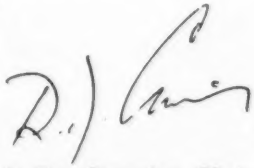


Figure 5

secured by a non-interest bearing demand note. The high 1991 figure includes the refunds to the 20-year borrowers in MFABC Issue #1.

At this time I would like to thank my Board of Trustees whose input has been positive throughout the whole year. Also, I would like to thank the Ministry of Municipal Affairs, Recreation and Housing and the Ministry of Finance and Corporate Relations for their cooperation.

I would like to finish on a very personal note and make some comments on our present constitutional impasse. We in this room have watched the massive indifference with which the world markets have viewed our internal wranglings. Taken in the context of other balkanizations in the world, our polite posturings are not nearly as significant as we view them. However, I think that there are enough studies now published to let us know that there will be a significant penalty to pay if we do not reach a constitutional accord. I think that the time has come to let our federal, and provincial, leaders know that Canada is worth saving. Let them know that we will not go gently into the insignificance or annexation that awaits a series of regional groupings. Let our French and Native Canadians know that we care, and we believe that the great Canadian skill of compromise can keep our country together that we, together, can continue our role of world leaders in decency. As municipal leaders in British Columbia, we *can* make a difference.



R. Dan Cumming, *Chairman*

The Staff of Municipal Finance Authority of British Columbia

How the Municipal Finance Authority Functions

CAPITAL FINANCING

RESPONSIBILITY

The Municipal Finance Authority of British Columbia was established in 1970 by the Municipal Finance Authority of British Columbia Act, Chapter 292, Revised Statutes of British Columbia, 1979.

Regional districts and municipalities in British Columbia finance through the Authority all long-term capital requirements except those met by senior levels of government.

The City of Vancouver is the only municipality in the Province which retains the right to issue its own securities to finance capital projects. Taxable land and improvements within the City of Vancouver are, nevertheless, subject to rates levied by the Municipal Finance Authority.

REPRESENTATION

The Province of British Columbia is divided into twenty-nine regional districts, each of which is governed by a Regional Board consisting of representatives of its member municipalities and unincorporated areas.

The members of the Municipal Finance Authority are appointed by the Regional Boards; the number of members to which a regional district is entitled is based upon its population.

The executive and administrative powers and duties of the Authority are exercised and performed by a Board of Trustees consisting of the Chairman of the Authority and six other members, elected annually. The Capital Regional District and the Greater Vancouver Regional District must be represented on the Board of Trustees.

FUNDING

When the municipalities, through the regional districts, and the regional districts on their own behalf, wish to finance their capital projects, they present their approved requests to the Municipal Finance Authority.

Taking into account market and economic conditions pertaining, the members of the Authority may authorize the issue and sale of securities in an amount sufficient to meet the requests.

Securities of the Authority, not exceeding the amount authorized, may then be issued at such rates and pursuant to such terms and conditions and in such markets and currencies as the board of trustees may determine. Under the Act, the Authority has power to provide for the creation, management and application of sinking funds or other means of securing the repayment of securities issued by the Authority, including the redemption by call of securities issued subject to redemption in advance of maturity.

A separate account is maintained for each sinking fund securities issue and moneys at the credit of a sinking fund which cannot be immediately applied toward paying the debt or discharging the obligation may be invested in:

(a) securities of the government of Canada or a province of Canada, or

(b) securities, the principal and interest of which are guaranteed by the government of Canada or a province of Canada, or

(c) securities of a municipality or regional district in British Columbia, or of a local, municipal or regional government in another province of Canada, maturing not later than the securities for which the sinking fund was created, or

(d) investments guaranteed by a Canadian chartered bank, or

(e) deposits in, or shares or other evidences of indebtedness of, a credit union incorporated under the British Columbia Credit Union Act, or

(f) securities of the Municipal Finance Authority of British Columbia maturing not later than the securities for which the sinking fund was created.

PROTECTION FOR INVESTORS

In British Columbia, the combined credit of all the regional districts and their member municipalities–which together have essentially all the taxable land and improvements in the Province–stands behind the Authority's obligations.

In addition, the Authority has established a debt reserve fund into which each regional district sharing in the proceeds of a securities issue having a term to maturity of over two years must contribute an amount equal to one-half the average annual instalment of principal and interest for repayment of the issue; such amount is payable to the Authority at the time of issue either in full or in an amount equal to one percent of the principal amount borrowed with the balance secured by a non-interest bearing demand note of the regional district issued to the Authority. Moneys paid into the debt reserve fund, and interest earned thereon, are obligations of the Authority to the regional districts and must be refunded to them when the final instalments of their loans have been repaid. However, where a municipality has discharged its obligation to a regional district with respect to a securities issue, the Authority may, during the term of the issue, subject to approval by the Inspector of Municipalities, repay to the regional district for the credit of the municipality a portion of the money which is an obligation to the regional district and the money so paid shall be applied to reduce that obligation.

If, at any time, the Authority lacks sufficient funds to meet principal, interest or sinking fund payments due on its obligations, it must utilize the debt reserve fund, all or any part of which is available to satisfy the Authority's obligations, regardless of the sources of the moneys in the fund. In the event that payments are made from the debt reserve fund, the Authority will recover such payments from the regional districts involved in order to restore the debt reserve fund. If the Trustees are of the opinion that payments made from the debt reserve fund will not be recovered within a reasonable period, they may levy upon all taxable land and improvements in the Province a tax sufficient to restore the fund to its required amount. It is mandatory for the Trustees to levy such a tax when the balance in the debt reserve fund is less than fifty percent of the required amount. The Trustees' power to impose taxes does not require the permission or approval of any other governmental authority. Pending the receipt of such taxes, the Authority may borrow an equivalent amount to meet its obligations.

The provincial government has undertaken to assure that the debt reserve fund will be maintained in accordance with the Municipal Finance Authority Act and the Inspector of Municipalities may inspect the fund from time to time and issue a certificate that it has been maintained at the proper level.

Moneys in the debt reserve fund may be invested in:

(a) securities of the government of Canada or a province of Canada, or

(b) securities, the principal and interest of which are guaranteed by the government of Canada or a province of Canada, or

(c) deposits in, or investments guaranteed by a Canadian chartered bank, or

(d) deposits in, or shares or other evidences of indebtedness of, a credit union incorporated under the British Columbia Credit Union Act.

Such investments must mature or be callable within five years and at least twenty-five percent of the fund must be callable within ninety days.

ADDITIONAL PROTECTION FOR INVESTORS

Regional districts and their member municipalities financing through the Municipal Finance Authority must obtain the same provincial approvals as would be required if they were issuing their own securities. In this way, all the safeguards imposed by the Provincial Legislature on the incurring of indebtedness by regional and municipal governments are retained. Such safeguards include the requirement that the Inspector of Municipalities approve the debt and user charges, if any, and other taxes to service the debt. In addition, sewer and water projects require the issuance of a certificate of self-liquidation by the Inspector of Municipalities.

Limitations on the borrowing power of a regional district for each function may be specified in its letters patent. The total indebtedness which a municipality may contract is limited to a percentage of the assessed value for general municipal purposes of the taxable land and improvements within the municipality and the value of the utility systems and other municipal enterprises for which the municipality has a subsisting certificate of self-liquidation granted by the Inspector of Municipalities.

POOLED INVESTMENTS

ORGANIZATION

The Municipal Finance Authority Act was amended in 1988 to extend the objects of the Authority to provide short term investment opportunity for regional districts and municipalities in British Columbia by the establishment and operation of pooled investment funds.

Two funds have been established and operations commenced in May 1989.

PARTICIPATION

Participation in the funds by the regional districts and municipalities is voluntary.

INVESTMENT ACTIVITIES

The investment activities of the funds are governed by the Municipal Finance Authority Act and a charter of investment policies, objectives and guidelines.

INTERIM FINANCING

ORGANIZATION

In 1990, the Municipal Finance Authority Act was further amended to add interim financing for regional districts and municipalities to the objects of the Authority.

The Short Term Debt Fund was established and commenced operations on December 31, 1990.

PARTICIPATION

Participation in the interim financing program by the regional districts and municipalities is voluntary.

PURPOSES FOR WHICH INTERIM FINANCING MAY BE PROVIDED

The Authority may provide financing for one or more of the following purposes:

(a) temporary financing of capital projects under section 342 or 815 of the Municipal Act,

(b) financing of short term debts of a capital nature under section 344 or 813 of the Municipal Act, and

(c) borrowing in anticipation of tax revenues under section 346 or 812.1 of the Municipal Act.

Kyuquot, Comox-Strathcona Regional District

CAPITAL FINANCING

Auditors' Report 1991

TO THE MEMBERS OF THE MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

We have audited the balance sheets of the Operating Fund, Debt Fund, Capital Repayment Equalization Fund, Debt Reserve Fund and Market Development Fund of the Municipal Finance Authority of British Columbia and the combined balance sheet of these funds as at December 31, 1991, the statements of revenue, expenditure and surplus and changes in financial position of each of these funds and the combined statements of revenue, expenditure and surplus and changes in financial position of these funds for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of those funds of the Municipal Finance Authority of British Columbia as at December 31, 1991, and the results of their operations and the changes in their financial position for the year then ended in accordance with accounting principles described in Note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Peat Marwick Thorne

CHARTERED ACCOUNTANTS

Victoria, British Columbia, Canada
January 31, 1992

CAPITAL FINANCING

Balance Sheets

DECEMBER 31, 1991 – WITH COMPARATIVE FIGURES FOR 1990

	OPERATING FUND		DEBT FUND	
	1991	1990	1991	1990
ASSETS				
Cash	$ 307	303	116	141
Due from Operating Fund	–	–	–	–
Due from Capital Repayment Equalization Fund	–	–	76,553	53,610
Accrued interest and other receivables	70	36	–	–
Investments (Note 3)	–	–	–	–
Demand notes receivable from Regional Districts, without interest	–	–	–	–
Loans to Regional Districts (Note 4)	–	–	1,141,183	1,113,342
Deferred receivables from Regional Districts	–	–	–	262
Unamortized issue and refunding costs	–	–	3,043	3,555
Sinking fund assets in excess of related debt (Note 9)	–	–	6,081	3,018
	$ 377	339	1,226,976	1,173,928
LIABILITIES, RESERVES AND SURPLUS				
Liabilities:				
Accounts payable and unpresented matured debt	$ 75	63	116	141
Due to Debt Fund	–	–	–	–
Due to Market Development Fund	5	16	–	–
Due to sinking and other funds (Note 5)	–	–	85	33
Due to Regional Districts (Note 6)	–	–	–	–
Long-term debt, net (Notes 7, 8 and 9) (Schedule)	–	–	1,148,611	1,109,133
Total liabilities	80	79	1,148,812	1,109,307
Reserves for information systems enhancement	83	152	–	–
Surplus, per accompanying statement (Note 10)	214	108	78,164	64,621
	$ 377	339	1,226,976	1,173,928

Commitments (Note 11)

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

THOUSANDS OF DOLLARS

CAPITAL REPAYMENT EQUALIZATION FUND		DEBT RESERVE FUND		MARKET DEVELOPMENT FUND		COMBINED	
1991	1990	1991	1990	1991	1990	1991	1990
1,169	1,599	646	743	–	–	2,238	2,786
–	–	–	–	5	16	–	–
–	–	–	–	–	–	–	–
2,924	1,727	898	737	–	–	3,892	2,500
256,061	197,557	61,923	59,138	–	–	317,984	256,695
–	–	97,159	92,233	–	–	97,159	92,233
–	–	–	–	–	–	1,141,183	1,113,342
–	–	–	–	–	–	–	262
–	–	–	–	–	–	3,043	3,555
–	–	–	–	–	–	6,081	3,018
260,154	200,883	160,626	152,851	5	16	1,571,580	1,474,391
–	–	50	6	–	–	241	210
76,553	53,610	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	85	33
–	–	160,576	152,845	–	–	160,576	152,845
–	–	–	–	–	–	1,148,611	1,109,133
76,553	53,610	160,626	152,851	–	–	1,309,513	1,262,221
–	–	–	–	–	–	83	152
183,601	147,273	–	–	5	16	261,984	212,018
260,154	200,883	160,626	152,851	5	16	1,571,580	1,474,391

SECRETARY-TREASURER

CAPITAL FINANCING

Statements of Revenue, Expenditure and Surplus

YEAR ENDED DECEMBER 31, 1991 – WITH COMPARATIVE FIGURES FOR 1990

	OPERATING FUND		DEBT FUND	
	1991	1990	1991	1990
REVENUE				
Prior year's surplus appropriated	$ 108	48	–	–
Operating levy	108	193	–	–
Recoveries from new issues	119	109	–	–
Management fees	548	373	–	–
Investment income	30	34	14,864	12,872
Interest from loans to Regional Districts	–	–	1,947	2,035
Principal from loans to Regional Districts	–	–	–	–
Recovery of deficiencies from Regional Districts	–	–	–	–
Transfers from Operating Fund	–	–	–	–
Transfers from Capital Repayment Equalization Fund	–	–	136,334	134,472
Transfers from Debt Reserve Fund	–	–	21	121
Other	2	2	–	–
Total revenue	915	759	153,166	149,500
EXPENDITURE				
Legislative	69	68	–	–
Administrative	592	558	–	–
Transfers to Debt Fund–capital	–	–	–	–
Transfers to Debt Fund–revenue	–	–	–	–
Transfers to Market Development Fund – revenue	40	25	–	–
Interest	–	–	138,682	137,041
Amortization of issue and refunding costs	–	–	513	546
Management fees	–	–	127	109
Allocations to Regional Districts	–	–	–	–
Other	–	–	301	234
Total expenditure	701	651	139,623	137,930
Excess of revenue over expenditure for the year	214	108	13,543	11,570
Surplus, beginning of the year not appropriated to current revenue	–	–	64,621	53,051
Surplus, end of the year	$ 214	108	78,164	64,621

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

THOUSANDS OF DOLLARS

CAPITAL REPAYMENT EQUALIZATION FUND		DEBT RESERVE FUND		MARKET DEVELOPMENT FUND		COMBINED	
1991	1990	1991	1990	1991	1990	1991	1990
147,273	113,680	–	–	16	42	147,397	113,770
–	–	–	–	–	–	108	193
–	–	–	–	–	–	119	109
–	–	–	–	–	–	166	50
22,886	18,775	6,878	6,301	–	–	44,658	37,982
149,077	148,731	–	–	–	–	151,024	150,766
57,772	54,564	–	–	–	–	–	–
–	–	236	145	–	–	236	145
–	–	–	–	40	25	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
940	757	–	–	–	–	942	759
377,948	336,507	7,114	6,446	56	67	344,650	303,774
–	–	–	–	–	–	69	68
–	–	–	–	–	–	592	558
57,772	54,564	114	114	–	–	–	–
136,334	134,472	21	121	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	138,682	137,041
–	–	–	–	–	–	513	546
194	159	61	55	–	–	–	–
47	39	6,859	6,120	–	–	7,020	6,273
–	–	59	36	51	51	411	321
194,347	189,234	7,114	6,446	51	51	147,287	144,807
183,601	147,273	–	–	5	16	197,363	158,967
–	–	–	–	–	–	64,621	53,051
183,601	147,273	–	–	5	16	261,984	212,018

CAPITAL FINANCING

Statements of Changes in Financial Position

YEAR ENDED DECEMBER 31, 1991 – WITH COMPARATIVE FIGURES FOR 1990

	OPERATING FUND		DEBT FUND	
	1991	1990	1991	1990
OPERATING ACTIVITIES				
Excess of revenue over expenditure for the year	$ 214	108	13,543	11,570
Non-cash items:				
Prior year's surplus appropriated	(108)	(48)	–	–
Gain on disposals of investments	–	–	(233)	–
Accretion of discounts on investments	–	–	(6,224)	(6,463)
Amortization of issue and refunding costs	–	–	513	546
Allocations to Regional Districts	–	–	–	–
Unpaid interest	–	–	1	–
Interfund transfers	(11)	(26)	(514)	(546)
Increase in accrued interest and other receivables	(35)	(6)	–	–
Increase (decrease) in accounts payable	13	9	(25)	(25)
Decrease in reserves for information systems enhancement	(69)	–	–	–
Cash provided by operating activities	4	37	7,061	5,082
FINANCING ACTIVITIES				
New debt issued	–	–	87,000	99,625
Loan repayments from Regional Districts	–	–	59,241	55,508
Decrease in deferred receivables from Regional Districts	–	–	262	701
New loans to Regional Districts	–	–	(87,129)	(49,633)
Debt retired	–	–	(31,634)	(91,064)
Issue and refunding costs	–	–	–	(427)
Increase (decrease) in loans from sinking and other funds	–	–	52	(35)
Changes in interfund balances	–	–	(22,382)	(9,266)
Contributions from Regional Districts re new loans	–	–	–	–
Contributions and earnings thereon refunded to Regional Districts	–	–	–	–
Cash provided by (applied to) financing activities	–	–	5,410	5,409
INVESTING ACTIVITIES				
Investments sold or matured	–	–	36,966	12,691
Investments purchased	–	–	(49,056)	(22,893)
Other	–	–	(406)	(314)
Cash applied to investing activities	–	–	(12,496)	(10,516)
Increase (decrease) in cash for the year	4	37	(25)	(25)
Cash, beginning of the year	303	266	141	166
Cash, end of the year	$ 307	303	116	141

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

THOUSANDS OF DOLLARS

CAPITAL REPAYMENT EQUALIZATION FUND		DEBT RESERVE FUND		MARKET DEVELOPMENT FUND		COMBINED	
1991	1990	1991	1990	1991	1990	1991	1990
183,601	147,273	–	–	5	16	197,363	158,967
(147,273)	(113,680)	–	–	(16)	(42)	(147,397)	(113,770)
(81)	–	(125)	(152)	–	–	(439)	(152)
(10,159)	(9,274)	(1,900)	(1,997)	–	–	(18,283)	(17,734)
–	–	–	–	–	–	513	546
47	39	6,859	6,120	–	–	6,906	6,159
–	–	–	–	–	–	1	–
514	546	–	–	11	26	–	–
(1,197)	(433)	(161)	(15)	–	–	(1,393)	(454)
–	–	44	(43)	–	–	32	(59)
–	–	–	–	–	–	(69)	–
25,452	24,471	4,717	3,913	–	–	37,234	33,503
–	–	–	–	–	–	87,000	99,625
–	–	–	–	–	–	59,241	55,508
–	–	–	–	–	–	262	701
–	–	–	–	–	–	(87,129)	(49,633)
–	–	–	–	–	–	(31,634)	(91,064)
–	–	–	–	–	–	–	(427)
–	–	–	–	–	–	52	(35)
22,382	9,266	–	–	–	–	–	–
–	–	871	496	–	–	871	496
–	–	(4,925)	(331)	–	–	(4,925)	(331)
22,382	9,266	(4,054)	165	–	–	23,738	14,840
148,985	312,666	20,072	17,389	–	–	206,023	342,746
(197,249)	(345,787)	(20,832)	(21,004)	–	–	(267,137)	(389,684)
–	–	–	–	–	–	(406)	(314)
(48,264)	(33,121)	(760)	(3,615)	–	–	(61,520)	(47,252)
(430)	616	(97)	463	–	–	(548)	1,091
1,599	983	743	280	–	–	2,786	1,695
1,169	1,599	646	743	–	–	2,238	2,786

CAPITAL FINANCING

Notes to Financial Statements–All Funds

DECEMBER 31, 1991

1 Organization

The Municipal Finance Authority of British Columbia (the "Authority"), created in 1970 by the Municipal Finance Authority Act (the "Act"), is the central borrowing agency for financing of capital requirements (other than for schools and hospitals) for regional districts and their member municipalities in the Province of British Columbia (the "Province"). The Authority issues its own securities and lends the proceeds to the regional districts on whose request the financing is undertaken. Obligations of the Authority are not obligations of the Province and are not directly or indirectly guaranteed by the Province.

In 1988, the Act was amended to provide short term investment opportunity for regional districts and municipalities by the establishment and operation of pooled investment funds. Such pooled investment funds commenced operations in May 1989 and are reported as a separate and distinct division of the Authority.

In 1990, the Act was further amended to provide interim financing for regional districts and municipalities. The Short Term Debt Fund was established and commenced operations on December 31, 1990 and is reported, also, as another division of the Authority.

The Authority follows the normal local government accounting practice of maintaining its accounts according to the principles of fund accounting, a technique by which its financial resources are segregated for specific activities or to attain certain objectives. Five funds are maintained within the Capital Financing division. A brief description of each fund and its purpose is as follows:

OPERATING FUND

The Act provides for the establishment of an operating fund to meet the annual operating budget. For this purpose, the Authority may impose, annually, rates not exceeding the prescribed rates on all taxable land and improvements in the Province.

The Operating Fund receives management fees from the Pooled Investment Funds and the Short Term Debt Fund and pays the costs of their operation.

DEBT FUND

The Authority's capital financing activities on behalf of the regional districts in the Province are recorded in the Debt Fund.

CAPITAL REPAYMENT EQUALIZATION FUND

The Capital Repayment Equalization Fund is a repository for repayments from the regional districts under their loan agreements in advance of the Authority's requirements on its related indebtedness. Transfers, not exceeding the amount available in respect of each issue, are made to the Debt Fund to meet the Authority's obligations when due.

DEBT RESERVE FUND

Under the Act, the Authority is required to establish a Debt Reserve Fund. Each regional district sharing in the proceeds of a securities issue is required to pay into the Debt Reserve Fund an amount equal to one-half the average annual instalment of principal and interest in respect of its own borrowing together with one-half the average annual instalment of principal and interest as set out in the agreements entered into with the regional district by member municipalities in respect of their borrowings; such amount is payable either in full or in an amount equal to 1% of the principal amount borrowed with the balance secured by a non-interest bearing demand note.

If, at any time, the Authority does not have sufficient funds to meet payments or sinking fund contributions due on its obligations, the payments or sinking fund contributions shall be made from the Debt Reserve Fund.

MARKET DEVELOPMENT FUND

The development of markets for the Authority's securities issues is segregated in the Market Development Fund. It is funded by transfers from the Operating Fund.

2 Significant accounting policies

A summary of significant accounting policies is as follows:

PRIOR YEAR'S SURPLUS

The Authority appropriates the prior year's surpluses to current revenue except the Debt Fund surplus which relates to the sinking funds.

INCOME RECOGNITION

The annual operating levy is recognized as revenue in the Operating Fund when the rates have been set by the Authority in March of each year. It is collected on behalf of the Authority by the municipalities in the Province and the Provincial Surveyor of Taxes and is payable to the Authority on August 1 each year.

OFFICE FURNITURE, FIXTURES AND EQUIPMENT

Office furniture, fixtures and equipment are written off in the year of acquisition.

INTEREST ACCRUALS

Interest is accrued only on investments. Accrued interest receivable from the regional districts under the loan agreements and accrued interest payable on the long-term debt are not recorded, except for unpaid matured interest coupons on coupon debentures which are recognized as accounts payable in the Debt Fund.

AMORTIZATION OF ISSUE AND REFUNDING COSTS

The issue and refunding costs are being amortized on a straight-line basis over the average lives of the securities issues to which they relate.

FOREIGN CURRENCY TRANSACTIONS

The long-term debt payable in foreign currencies is recorded in equivalent Canadian dollars at the exchange rates prevailing when the debt was incurred except the debt payable in U.S. dollars which is stated at the rate of U.S. $1 equals Canadian $1.

The Authority does not adjust its assets and liabilities denominated in foreign currencies to reflect the exchange rates at the balance sheet date since, in the opinion of the Authority, its foreign exchange exposure is fully hedged by virtue of its contractual arrangements with the regional districts on whose behalf the financing is undertaken and/or by the application of certain sections of the Act which, essentially, provide that all monetary risks, including foreign currency risks, are obligations of the regional districts.

INVESTMENTS

Investments are carried at cost, adjusted for amortization of premiums and accretion of discounts on a yield basis, including the investments in its own securities.

SINKING FUNDS

Under the Act, obligations of the Authority purchased for a sinking fund account together with interest, premium, or exchange derived from them shall be held to the credit of that sinking fund account but may be resold, subject to approval by the Inspector of Municipalities. However, securities purchased in anticipation of mandatory annual redemptions for sinking fund purposes are cancelled immediately in accordance with the terms of such issues.

3 Investments

	1991		1990
	Par value	Book value	Book value
			THOUSANDS OF DOLLARS
CAPITAL REPAYMENT EQUALIZATION FUND			
Securities of:			
Government of Canada, direct or guaranteed	$ 44,044	36,879	33,559
Provincial governments, direct or guaranteed	147,144	134,308	92,292
Chartered banks, direct or guaranteed	10,803	10,766	40,350
Credit Unions in the Province	1,765	1,765	–
Regional Districts and Municipalities in Canada	25,031	25,034	19,008
The Authority	47,491	47,309	12,348
	$ 276,278	256,061	197,557
DEBT RESERVE FUND			
Securities of:			
Government of Canada, direct or guaranteed	$ 11,551	11,031	12,844
Provincial governments, direct or guaranteed	47,946	46,597	37,477
Chartered banks, direct or guaranteed	4,300	4,295	8,817
	$ 63,797	61,923	59,138

4 Loans to regional districts

Loans to regional districts include $197,079,857 (1990–$216,200,914) denominated in U.S. dollars.

Under the Act, each regional district sharing in the proceeds of a securities issue must pay over to the Authority such sums as are required to discharge its obligations to the Authority in respect of such securities issue, but if the scheduled payments provided for under the loan agreement are not sufficient to meet the Authority's obligations in respect of that securities issue, the deficiency is a liability of the regional district to the Authority.

At the exchange rates prevailing at December 31, 1991, the scheduled payments under the agreements with the regional districts in respect of the securities payable in Swiss francs and Deutschemarks will not provide sufficient funds to meet the Authority's related obligations when due. Such deficiencies may be met from the Debt Reserve Fund (see Note 6).

When the Authority, under Section 12(1) of the Act and with the approval of the Inspector of Municipalities, has determined that the amount of the assets in the sinking fund and/or the Capital Repayment Equalization Fund together with the anticipated earnings for that fund is greater than the amount which will be required to repay the debt or discharge the obligation and has declared that there is an anticipated surplus in the fund of a specified amount, the scheduled future payments of both principal and interest from the regional districts under the related loan agreements are suspended.

The aggregate principal payments recoverable from the regional districts in each of the next five years (excluding principal payments suspended as outlined above) are as follows:

	1991	1990
		THOUSANDS OF DOLLARS
1991	$	58,690
1992	62,325	59,225
1993	63,609	60,447
1994	63,883	60,721
1995	65,982	62,820
1996	61,251	

5 Due to sinking and other funds

The Authority may invest sinking fund and Capital Repayment Equalization Fund monies in its own securities maturing not later than the securities for which the sinking or Capital Repayment Equalization Fund account was created.

In addition to its own securities purchased under this provision, loans to the Debt Fund and the Short Term Debt Fund totalling $565,027 (1990–$433,481) together with accrued interest of $8,370 (1990–$684) were outstanding at December 31, 1991. Like the securities, the loans are included in the sinking fund assets and in investments and receivables in the Capital Repayment Equalization Fund and they have not been eliminated in the combined statements.

6 Debt Reserve Fund

The amounts due to the regional districts will be repaid to them when they have made the final payment under their respective loan agreements. However, where a municipality has discharged its obligation to a regional district with respect to a securities issue, the Authority may, subject to approval by the Inspector of Municipalities, repay to the regional district for the credit of the municipality a portion of the money which is an obligation to the regional district and the money so paid shall be applied to reduce that obligation.

If, at any time, the Authority does not have sufficient funds to meet payments or sinking fund contributions due on its obligations, the payments or sinking fund contributions must be made from the Debt Reserve Fund. During 1991, a deficiency of $135,720 (1990–$235,630) in the amount of funds available to meet the principal and interest payments on the Deutschemark loan has been met by a transfer from the Debt Reserve Fund. Such deficiency is recovered in the following year from the participating regional districts under the terms of their loan agreements.

If the Trustees of the Authority are of the opinion that the payments made from the Debt Reserve Fund may not be recovered under the terms of the loan agreements within a reasonable time, they may levy or impose upon substantially all taxable land and improvements in the Province rates sufficient to maintain the Debt Reserve Fund at a level not exceeding the amount which would have been in the fund had no such payments been made. Further, the Board of Trustees must impose such rates when the balance in the fund is less than fifty percent of the amount that would have been in the fund had no such payments been made.

7 Long-term debt

The aggregate long-term debt maturities and sinking fund requirements in each of the next five years are as follows (including the debt payable in European currencies at the exchange rates prevailing at December 31, 1991 and provision for early redemptions at the option of the bondholder):

	1991	1990
		THOUSANDS OF DOLLARS
1991	$	44,060
1992	130,609	74,738
1993	121,378	134,277
1994	53,967	65,589
1995	44,768	60,027
1996	110,810	

Certain securities issues are subject to specific annual redemptions for sinking fund purposes. By purchasing the securities at discount in the open market in anticipation of the sinking fund requirements, the Authority has, to December 31, 1991, retired $2,154,000 (1990–$6,584,000) of such debt in advance of the scheduled redemptions for sinking fund purposes.

Since the maturities of certain of the Authority's securities issues and the related loans to the regional districts do not coincide, refunding of a portion of such securities issues will be required in future years.

8 Foreign currencies

The long-term debt payable includes the following amounts payable in foreign currencies:

		1991	1990
United States dollars	US$	205,342,000	218,419,000
Swiss francs	SFr	1,063,423	2,072,500
Deutschemarks	DM	825,000	1,650,000

No exchange gains or losses accrue to the Authority in respect of the debt payable in U.S. dollars since the related loans to the regional districts are denominated in U.S. dollars and the loan agreements provide for repayment to the Authority in U.S. dollars. In the case of other long-term debt denominated in European currencies, the Authority is not at exchange risk (see Note 2).

9 Sinking funds

The annual deposits to the sinking funds for securities issues payable in Canadian dollars are based on an interest rate of 5% per annum, capitalized yearly.

The assets and the surpluses of the sinking funds are as follows:

	1991		1990
	Par value	Book value	Book value
			THOUSANDS OF DOLLARS
Securities of:			
Government of Canada, direct or guaranteed	$ 35,361	26,318	33,154
Provincial governments, direct or guaranteed	64,558	59,822	37,119
Chartered banks, direct or guaranteed	3,128	2,945	4,063
Credit Unions in the Province	625	625	–
Regional Districts and Municipalities in Canada	8,952	8,818	7,523
The Authority	46,230	41,450	39,573
	$ 158,854	139,978	121,432
Cash		632	677
Accrued interest and other		1,475	1,025
Total assets		142,085	123,134
Less: Assets in excess of the related debt		6,081	3,018
		136,004	120,116
Accumulated actuarial requirements for retirement of the related debt		88,329	78,509
Excess of assets over accumulated actuarial requirements		$ 47,675	41,607

10 Capital Repayment Equalization Fund–surplus

The surplus relates directly to specific securities issues and, if not otherwise appropriated for payment of principal and/or interest during the term of such issues, will be paid over to the regional districts for which the financing was undertaken.

11 Commitments

The minimum future rental commitments for premises and equipment are as follows:

	Premises	Equipment	Total
1992	$ 46,371	7,722	54,093
1993	46,371	7,722	54,093
1994	46,371	7,722	54,093
1995	46,371	5,370	51,741
1996	30,914	–	30,914

CAPITAL FINANCING

Debt Fund–Schedule of Long-Term Debt

DECEMBER 31, 1991–WITH COMPARATIVE FIGURES FOR 1990

ISSUE/ SERIES	YEAR OF ISSUE	MATURITY DATE	INTEREST RATE PERCENT	ORIGINAL AMOUNT
PAYABLE IN CANADIAN DOLLARS:				
2	1971	December 1, 1992-1996	7.750	$ 1,259
3	1972	March 1, 1992	7.750	1,675
		March 1, 1997	7.750	2,575
6	1973	June 1, 1992-1993	8.125	8,727
7	1974	March 1, 1994	9.000	6,462
9	1974	April 16, 1994	9.000	6,800
11	1974	September 3, 1992-1994	10.750	5,000
16	1975	September 2, 1995	10.750	5,000
20	1977	June 1, 1994/1997	9.000	25,000
		June 1, 1997	9.875	20,000
21	1977	December 1, 1992	9.250	961
		December 1, 1997	9.500	33,500
		December 1, 2002	9.500	7,000
23	1978	November 15, 1992-1993	9.625	890
		November 15, 1998	9.950	30,000
A23	1978	November 15, 1998	9.950	6,735
		November 15, 2003	10.000	3,265
25	1979	December 6, 1999	12.250	54,100
26	1979	December 6, 2004	12.250	11,133
33	1983	June 15, 1993	11.750	25,000
		June 15, 2003	12.375	63,300
34	1983	November 22, 1993	12.000	58,000
		November 22, 1993	12.125	21,000
36	1984	December 5, 2004	13.000	30,500
CA	1985	June 12, 2005	12.000	21,800
CB	1985	December 12, 2005	11.000	15,500
A29	1986	April 29, 2001	14.000	91,362
EB	1986	June 2, 2001	9.375	65,500
40	1986	October 23, 1991	9.500	1,120
CC	1986	October 23, 2006	10.125	26,000
A24	1987	May 15, 1991	8.500	2,000
		May 15, 1992	8.500	2,200
		May 15, 1993-1994	8.750	5,000
42	1987	July 30, 1991	9.500	4,500
		July 30, 1992	9.500	5,000
CD	1987	July 30, 1997	10.000	90,000
CE	1987	November 15, 1992	11.250	33,000
CF	1988	May 11, 1993/1998	9.500	17,500
CG	1988	October 27, 1998	10.875	88,000

Carried forward

Schedule

THOUSANDS OF DOLLARS

DECEMBER 31, 1991			DECEMBER 31, 1990	
OUTSTANDING	SINKING FUNDS	LONG-TERM DEBT, NET	LONG-TERM DEBT, NET	REFERENCES
203	–	203	300	(1)
1,675	1,675	–	–	(1) (2)
2,575	2,322	253	903	(1) (2)
2,327	–	2,327	3,361	(1)
6,462	6,462	–	–	(1) (2)
6,800	6,800	–	–	(1) (2)
1,500	–	1,500	2,000	(1)
5,000	3,239	1,761	2,451	(1) (2)
2,406	–	2,406	3,265	(3)
20,000	20,000	–	537	(1) (2)
227	–	227	435	(1)
33,500	33,500	–	3,703	(1) (2)
7,000	5,820	1,180	2,686	(1) (2)
405	–	405	582	(1)
30,000	27,511	2,489	6,340	(1) (2)
6,735	6,176	559	1,423	(1) (2)
3,265	2,074	1,191	1,481	(1) (2)
34,500	–	34,500	37,000	(4)
11,133	5,860	5,273	6,117	(2) (5)
7,207	–	7,207	10,282	(6) (7)
63,300	–	63,300	63,300	(6)
58,000	–	58,000	58,000	(1)
21,000	–	21,000	21,000	(8)
30,500	9,092	21,408	23,194	(2) (9)
21,800	5,473	16,327	17,494	(2) (10)
15,500	–	15,500	15,500	(11)
91,362	–	91,362	91,362	(1)
65,500	–	65,500	65,500	(7)
–	–	–	1,120	
26,000	–	26,000	26,000	(12)
–	–	–	2,000	
2,200	–	2,200	2,200	(1)
5,000	–	5,000	5,000	(1)
–	–	–	4,500	
5,000	–	5,000	5,000	(1)
90,000	–	90,000	90,000	(1)
33,000	–	33,000	33,000	(1)
17,500	–	17,500	17,500	(1) (13)
88,000	–	88,000	88,000	(1)
816,582	136,004	680,578	712,536	

continued

CAPITAL FINANCING

Debt Fund–Schedule of Long-Term Debt

DECEMBER 31, 1991–WITH COMPARATIVE FIGURES FOR 1990

ISSUE/ SERIES	YEAR OF ISSUE	MATURITY DATE	INTEREST RATE PERCENT	ORIGINAL AMOUNT
			Brought forward	$
PAYABLE IN CANADIAN DOLLARS, CONTINUED:				
45	1988	October 27, 1992-1994	10.500	7,630
		October 27, 1995-1998	10.750	14,148
CH	1989	May 9, 1994/1999	10.900	27,100
CI	1989	November 9, 1999	10.250	29,400
CJ	1990	May 15, 2000	11.625	77,925
CK	1990	October 24, 1995/2000	11.200	21,700
CL	1991	May 8, 1996/2006	9.875/10.250	46,000
CM	1991	October 31, 1996	9.500	41,000
PAYABLE IN UNITED STATES DOLLARS:				
1	1971	October 1, 1996	8.375	20,000
12	1975	January 15, 2000	9.750	34,500
17	1975	November 1, 2000	9.875	37,000
18	1976	May 1, 2001	8.875	52,500
19	1976	October 15, 2001	8.750	50,000
22	1978	June 1, 1998	9.250	29,363
		June 1, 2003	9.375	4,737
28	1980	December 1, 2005	13.750	90,000
EA	1985	October 28, 2000/2005	11.250	50,000
PAYABLE IN SWISS FRANCS:				
A5	1987	November 16, 1992	5.400	4,556
PAYABLE IN DEUTSCHEMARKS:				
4	1972	October 1, 1992	6.750	4,618

Schedule

THOUSANDS OF DOLLARS

DECEMBER 31, 1991			DECEMBER 31, 1990		
OUTSTANDING	SINKING FUNDS	LONG-TERM DEBT, NET	LONG-TERM DEBT, NET	REFERENCES	
816,582	136,004	680,598	712,536		
4,155	–	4,155	5,430	(1)	
14,148	–	14,148	14,148	(1)	
27,100	–	27,100	27,100	(1)	(14)
29,400	–	29,400	29,400	(1)	
77,925	–	77,925	77,925	(1)	
21,700	–	21,700	21,700	(1)	(15)
46,000	–	46,000	–	(1)	(16)
41,000	–	41,000	–	(1)	
1,078,010	136,004	942,006	888,239		
3,354	–	3,354	4,495	(6)	
9,934	–	9,934	11,485	(17)	
13,131	–	13,131	15,421	(18)	
20,219	–	20,219	20,219	(19)	
24,537	–	24,537	27,301	(19)	
16,677	–	16,677	18,660	(6)	
3,495	–	3,495	3,650	(6)	
65,995	–	65,995	69,188	(20)	
48,000	–	48,000	48,000	(7)	(21)
205,342	–	205,342	218,419		
1,009	–	1,009	1,967		
254	–	254	508	(7)	
$ 1,284,615	136,004	1,148,611	1,109,133		

CAPITAL FINANCING

Debt Fund–References to Schedule of Long-Term Debt

DECEMBER 31, 1991

1 Non-callable prior to maturity.

2 The sinking fund has been calculated to provide for retirement of the issue at maturity.

3 Redeemable at holder's option on June 1, 1994. Callable upon the imposition of withholding taxes at 101.50% reducing to 100% at maturity.

4 Non-callable prior to December 6, 1994 except for sinking fund purposes. Callable on December 6, 1994 and thereafter at any time at 100%.

5 Callable on December 6, 1997 and thereafter at any time at 100%.

6 Non-callable except for sinking fund purposes.

7 Callable upon the imposition of withholding taxes at any time at 100%.

8 Non-callable prior to maturity unless lender so agrees.

9 Callable on December 5, 1999 and thereafter at any time at 100%.

10 Callable on June 12, 2000 and thereafter at any time at 100%.

11 Callable on December 12, 2000 and thereafter at any time at 100%.

12 Callable on October 23, 2003 and thereafter at any time at 100%.

13 Redeemable at holder's option on May 11, 1993.

14 Redeemable at holder's option on May 9, 1994.

15 Redeemable at holder's option on October 24, 1995.

16 Redeemable at holder's option on May 8, 1996.

17 Called for redemption on February 20, 1992 at 103.50%.

18 Called for redemption on February 20, 1992 at 103.25%.

19 Called for redemption on February 20, 1992 at 102.75%.

20 Non-callable prior to December 1, 1995 except for sinking fund purposes. Callable on December 1, 1995 and thereafter at any time at 105.02% reducing to 100% on or after December 1, 2004.

21 Redeemable at holder's option on October 28, 2000. Callable on October 28, 1993 and thereafter at 103% reducing to 100% from October 28, 1999 to October 28, 2000. The interest rate is effective until October 28, 2000; it will be reset by the Authority from October 29, 2000.

CAPITAL FINANCING

Schedule of Loans to Regional Districts 1991

THOUSANDS OF DOLLARS (EXCEPT PER CAPITA)

	PRINCIPAL OUTSTANDING DEC. 31, 1990	1991 NEW LOANS ISSUED	1991 PRINCIPAL REPAID	PRINCIPAL OUTSTANDING DEC. 31, 1991	PER CAPITA
REGIONAL DISTRICTS					
Alberni-Clayoquot	$ 6,379	1,500	439	**7,440**	245
Bulkley-Nechako	13,138	1,061	603	**13,596**	363
Capital	103,820	6,490	5,320	**104,990**	396
Cariboo	35,613	182	1,531	**34,264**	567
Central Coast	–	–	–	**–**	–
Central Fraser Valley	65,131	6,632	3,138	**68,625**	501
Central Kootenay	16,999	1,393	931	**17,461**	356
Central Okanagan	44,374	2,208	2,152	**44,430**	495
Columbia Shuswap	18,180	620	1,000	**17,800**	444
Comox-Strathcona	48,474	4,650	2,253	**50,871**	715
Cowichan Valley	20,616	1,306	1,151	**20,771**	395
Dewdney-Alouette	47,516	–	1,951	**45,565**	656
East Kootenay	57,421	–	2,443	**54,978**	1,036
Fort Nelson-Liard	5,995	179	305	**5,869**	1,142
Fraser-Cheam	15,670	1,846	462	**17,054**	294
Fraser-Fort George	56,019	1,166	2,873	**54,312**	608
Greater Vancouver	202,924	40,262	12,794	**230,392**	182
Kitimat-Stikine	15,632	1,042	861	**15,813**	401
Kootenay Boundary	12,177	–	966	**11,211**	370
Mount Waddington	4,831	121	252	**4,700**	315
Nanaimo	58,588	–	3,021	**55,567**	676
North Okanagan	26,873	2,500	1,363	**28,010**	509
Okanagan-Similkameen	25,215	600	1,316	**24,499**	415
Peace River	69,087	1,960	3,677	**67,370**	1,296
Powell River	7,988	–	400	**7,588**	413
Skeena-Queen Charlotte	23,348	2,063	1,200	**24,211**	1,050
Squamish-Lillooet	17,071	3,205	638	**19,638**	995
Sunshine Coast	7,286	60	376	**6,970**	416
Thompson-Nicola	64,295	6,083	4,579	**65,799**	668
OTHER					
District of Campbell River	2,836	–	114	**2,722**	160
Greater Nanaimo Water District	19,846	–	1,179	**18,667**	258
	$ 1,113,342	87,129	59,288	**1,141,183**	395

CAPITAL FINANCING

Nine Year Review – Combined Funds

	1991	1990	1989
ASSETS			
Cash	$ 2,238	2,786	1,695
Accrued interest and other receivables	3,892	2,500	2,046
Investments	317,984	256,695	208,536
Demand notes receivable from Regional Districts	97,159	92,233	89,460
Loans to Regional Districts	1,141,183	1,113,342	1,119,256
Deferred receivables from Regional Districts	–	262	963
Unamortized issue and refunding costs	3,043	3,555	3,675
Sinking fund assets in excess of related debt	6,081	3,018	2,445
Total assets	$ 1,571,580	1,474,391	1,428,076
LIABILITIES, RESERVES AND SURPLUS			
Accounts payable and unpresented matured debt	$ 241	210	269
Due to banks	–	–	–
Due to sinking and other funds	85	33	69
Due to Regional Districts	160,576	152,845	143,787
Long-term debt, net	1,148,611	1,109,133	1,116,978
Total liabilities	1,309,513	1,262,221	1,261,103
Reserves for information systems enhancement	83	152	152
Surplus	261,984	212,018	166,821
Total liabilities, reserves and surplus	$ 1,571,580	1,474,391	1,428,076
REVENUE			
Prior year's surplus appropriated	$ 147,397	113,770	88,035
Operating levy	108	193	242
Recoveries from new issues	119	109	105
Investment income (including sinking funds)	44,658	37,982	30,317
Interest from loans to Regional Districts	151,024	150,766	147,483
Recovery of deficiencies from Regional Districts	236	145	241
Other	1,108	809	1
Total revenue	344,650	303,774	266,424
EXPENDITURE			
Legislative	69	68	59
Administrative	592	558	572
Interest	138,682	137,041	134,259
Amortization of issue and refunding costs	513	546	529
Allocations to Regional Districts	7,020	6,273	5,671
Other	411	321	1,149
Total expenditure	147,287	144,807	142,239
Excess of revenue over expenditure for the year	197,363	158,967	124,185
Surplus, beginning of the year not appropriated to current revenue	64,621	53,051	42,636
Surplus, end of the year	$ 261,984	212,018	166,821

THOUSANDS OF DOLLARS

1988	1987	1986	1985	1984	1983
1,508	2,386	2,881	3,186	3,658	1,749
1,745	1,276	1,768	1,627	1,724	1,951
168,518	137,428	139,133	100,630	91,736	70,597
86,321	85,140	82,611	80,243	77,863	71,867
1,114,879	1,124,501	1,127,662	1,122,746	1,127,416	1,074,500
1,605	2,183	14,122	19,318	21,573	21,573
4,194	3,918	3,099	2,066	1,100	1,312
974	–	–	–	–	–
1,379,744	1,356,832	1,371,276	1,329,816	1,325,070	1,243,549
287	690	1,945	2,256	2,507	2,697
–	–	–	1,455	4,939	4,615
1,621	3,200	3,993	6,363	464	564
134,702	125,206	115,338	112,320	108,430	97,805
1,112,311	1,126,765	1,158,670	1,138,934	1,153,524	1,095,181
1,248,921	1,255,861	1,279,946	1,261,328	1,269,864	1,200,862
152	102	115	92	66	109
130,671	100,869	91,215	68,396	55,140	42,578
1,379,744	1,356,832	1,371,276	1,329,816	1,325,070	1,243,549
67,423	65,515	36,579	30,371	25,045	20,607
245	253	360	361	351	350
95	87	86	82	190	65
24,487	22,132	19,851	17,474	15,268	11,510
147,359	144,410	144,234	144,557	137,420	121,061
4,279	7,130	3,237	489	735	201
753	1,903	2,014	1,173	2,199	1,906
244,641	241,430	206,361	194,507	181,208	155,700
45	48	47	53	57	48
530	466	477	473	467	352
137,174	137,521	140,009	146,027	138,879	121,681
471	540	353	403	213	213
8,980	9,379	5,707	3,605	3,903	2,675
216	18,307	370	319	82	63
147,416	166,261	146,963	150,880	143,601	125,032
97,225	75,169	59,398	43,627	37,607	30,668
33,446	25,700	31,817	24,769	17,533	11,910
130,671	100,869	91,215	68,396	55,140	42,578

Canadian Dollar Bonds Issued in Canada

ISSUE/ SERIES	DESCRIPTION	DATED	AUTHORIZED $(000)	OUTSTANDING DECEMBER 31, 1991 $(000)	INTEREST
2	7.75% Serial Debentures due December 1, 1972-1996	December 1, 1971	1,259	203	Semi-annual June 1 December 1
3	7.75% Sinking Fund Debentures due March 1, 1992	March 1, 1972	1,675	1,675	Semi-annual March 1 September 1
	7.75% Sinking Fund Debentures due March 1, 1997	"	2,575	2,575	"
6	8.125% Serial Debentures due June 1, 1984-1993	June 1, 1973	8,727	2,327	Semi-annual June 1 December 1
7	9% Sinking Fund Debentures due March 1, 1994	March 1, 1974	6,462	6,462	Semi-annual March 1 September 1
9	9% Sinking Fund Debenture due April 16, 1994	April 16, 1974	6,800	6,800	Semi-annual April 16 October 16
11	10.75% Instalment Debentures due September 3, 1985-1994	September 3, 1974	5,000	1,500	Semi-annual March 3 September 3
16	10.75% Sinking Fund Debentures due September 2, 1995	September 2, 1975	5,000	5,000	Semi-annual March 2 September 2
20	9.875% Sinking Fund Debentures due June 1, 1997	June 15, 1977	20,000	20,000	Semi-annual June 1 December 1
21	9.25% Serial Debentures due December 1, 1988-1992	December 1, 1977	961	227	Semi-annual June 1 December 1
	9.50% Sinking Fund Debentures due December 1, 1997	"	33,500	33,500	"
	9.50% Sinking Fund Debentures due December 1, 2002	"	7,000	7,000	"

DENOMINATIONS	CALL	SINKING FUND OR MATURITIES NEXT 5 YEARS $(000)	RETRACTION OR EXTENSION	REGISTRAR AND TRANSFER AGENT
Coupon–$1,000	Non-callable	1992–35 1993–38 1994–40 1995–44 1996–46	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon–$1,000	Non-callable	Annual deposits 1983-1992	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
"	"	Annual deposits 1983-1997	"	
Coupon–$1,000	Non-callable	1992–1,119 1993–1,208	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon–$1,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable	Annual deposits 1975-1994	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Fully registered	Non-callable	Annual deposits 1975-1994	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Fully registered	Non-callable	1992–500 1993–500 1994–500	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Fully registered	Non-callable	Annual deposits 1986-1995	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon–$1,000 Coupon–$5,000 Coupon–$25,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable	Annual deposits 1978-1997	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon–$1,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable	1992–227	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon–$1,000 Coupon–$5,000 Coupon–$25,000 Fully registered $1,000 and multiples thereof. Exchangeable	"	Annual deposits 1978-1997	"	
"	"	Annual deposits 1978-2002	"	

continued

Canadian Dollar Bonds Issued in Canada

ISSUE/ SERIES	DESCRIPTION	DATED	AUTHORIZED $(000)	OUTSTANDING DECEMBER 31, 1991 $(000)	INTEREST
23	9.625% Serial Debentures due November 15, 1989-1993	November 15, 1978	890	405	Semi-annual May 15 November 15
	9.95% Sinking Fund Debentures due November 15, 1998	"	30,000	30,000	"
A23	9.95% Sinking Fund Debentures due November 15, 1998	November 15, 1978	6,735	6,735	Semi-annual May 15 November 15
	10% Sinking Fund Debentures due November 15, 2003	"	3,265	3,265	"
A24	7.75%-8.75% Serial Debentures due May 15, 1988-1994	May 15, 1987	14,000	7,200	Semi-annual May 15 November 15
25	12.25% Sinking Fund Debentures due December 6, 1999	December 6, 1979	54,100	34,500	Semi-annual June 6 December 6
26	12.25% Sinking Fund Debentures due December 6, 2004	December 6, 1979	11,133	11,133	Semi-annual June 6 December 6
A29	14% Bonds due April 29, 2001	April 29, 1986	91,362	91,362	Semi-annual April 29 October 29
33	12.375% Sinking Fund Debentures due June 15, 2003	June 15, 1983	63,300	63,300	Semi-annual June 15 December 15
34	12% Bonds due November 22, 1993	December 15, 1983	58,000	58,000	Semi-annual May 22 November 22

DENOMINATIONS	CALL	SINKING FUND OR MATURITIES NEXT 5 YEARS $(000)	RETRACTION OR EXTENSION	REGISTRAR AND TRANSFER AGENT
Coupon–$1,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable	1992–193 1993–212	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon–$1,000 Coupon–$5,000 Coupon–$25,000 Fully registered $1,000 and multiples thereof. Exchangeable	"	Annual deposits 1979-1998	"	
Fully registered $1,000 and multiples thereof	Non-callable	Annual deposits 1979-1998	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
"	"	Annual deposits 1979-2003	"	
Fully registered $1,000 and multiples thereof	Non-callable	1992–2,200 1993–2,400 1994–2,600	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7 Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
Coupon–$1,000 Coupon–$5,000 Coupon–$25,000 Fully registered $1,000 and multiples thereof. Exchangeable	Callable at par on or after Dec. 6, 1994. Callable also for sinking fund purposes	1992–2,800 1993–3,200 1994–3,600 1995–3,900 1996–4,300	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Fully registered $1,000 and multiples thereof	Callable at par on or after Dec. 6, 1997	Annual deposits 1980-2004	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon–$1,000 Coupon–$25,000 Coupon–$100,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable	None	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon–$1,000 Coupon–$25,000 Coupon–$100,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable except for sinking fund purposes	1994–3,830 1995–4,170 1996–4,690	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon–$1,000 Coupon–$25,000 Coupon–$100,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable	None	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7

continued

Canadian Dollar Bonds Issued in Canada

ISSUE/ SERIES	DESCRIPTION	DATED	AUTHORIZED $(000)	OUTSTANDING DECEMBER 31, 1991 $(000)	INTEREST
36	13% Sinking Fund Debentures due December 5, 2004	December 5, 1984	30,500	30,500	Semi-annual June 5 December 5
CA	12% Sinking Fund Debentures due June 12, 2005	June 12, 1985	21,800	21,800	Semi-annual June 12 December 12
CB	11% Debentures due December 12, 2005	December 12, 1985	15,500	15,500	Semi-annual June 12 December 12
CC	10.125% Debentures due October 23, 2006	October 23, 1986	26,000	26,000	Semi-annual April 23 October 23
42	9%-9.50% Serial Debentures due July 30, 1988-1992	July 30, 1987	21,000	5,000	Semi-annual January 30 July 30
CD	10% Debentures due July 30, 1997	"	90,000	90,000	"
CE	11.25% Debentures due November 15, 1992	November 17, 1987	33,000	33,000	Semi-annual May 15 November 15
CF	9.50% Debentures due May 11, 1998	May 11, 1988	17,500	17,500	Semi-annual May 11 November 11

DENOMINATIONS	CALL	SINKING FUND OR MATURITIES NEXT 5 YEARS $(000)	RETRACTION OR EXTENSION	REGISTRAR AND TRANSFER AGENT
Coupon – $1,000 Coupon – $25,000 Coupon – $100,000 Fully registered $1,000 and multiples thereof. Exchangeable	Callable at par on or after December 5, 1999	Annual deposits 1985-2004	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon – $1,000 Coupon – $25,000 Coupon – $100,000 Fully registered $1,000 and multiples thereof. Exchangeable	Callable at par on or after June 12, 2000	Annual deposits 1986-2005	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon – $1,000 Coupon – $25,000 Coupon – $100,000 Fully registered $1,000 and multiples thereof. Exchangeable	Callable at par on or after December 12, 2000	None	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7 Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
Fully registered $1,000 and multiples thereof	Callable at par on or after October 23, 2003	None	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7 Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
Fully registered $1,000 and multiples thereof	Non-callable	1992 – 5,000	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
"	"	None	"	Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
Fully registered $1,000 and multiples thereof	Non-callable	None	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St Victoria, B.C. V8W 2B7 Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
Fully registered $1,000 and multiples thereof	Non-callable	None	Retractable at holder's option on May 11, 1993. Right may be exercised on February 11, 1993 and thereafter to April 12, 1993	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7 Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1

continued

Canadian Dollar Bonds Issued in Canada

ISSUE/ SERIES	DESCRIPTION	DATED	AUTHORIZED $(000)	OUTSTANDING DECEMBER 31, 1991 $(000)	INTEREST
45	10.50% Serial Debentures due October 27, 1989-1994	October 27, 1988	7,630	4,155	Semi-annual April 27 October 27
	10.75% Serial Debentures due October 27, 1995-1998	"	14,148	14,148	"
CG	10.875% Debentures due October 27, 1998	October 27, 1988	88,000	88,000	Semi-annual April 27 October 27
CH	10.90% Debentures due May 9, 1999	May 9, 1989	27,100	27,100	Semi-annual May 9 November 9
CI	10.25% Debentures due November 9, 1999	November 9, 1989	29,400	29,400	Semi-annual May 9 November 9
CJ	11.625% Debentures due May 15, 2000	May 1, 1990	77,925	77,925	Semi-annual May 15 November 15
CK	11.20% Debentures due October 24, 2000	October 24, 1990	21,700	21,700	Semi-annual April 24 October 24

DENOMINATIONS	CALL	SINKING FUND OR MATURITIES NEXT 5 YEARS $(000)	RETRACTION OR EXTENSION	REGISTRAR AND TRANSFER AGENT
Fully registered $1,000 and multiples thereof	Non-callable	1992 – 1,415 1993 – 1,570 1994 – 1,170	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7 Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
"	"	1995 – 1,280 1996 – 1,400	"	
Fully registered $1,000 and multiples thereof	Non-callable	None	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7 Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
Fully registered $1,000 and multiples thereof	Non-callable	None	Retractable at holder's option on May 9, 1994. Right may be exercised on February 9, 1994 and thereafter to April 11, 1994	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7 Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
Fully registered $1,000 and multiples thereof	Non-callable	None	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7 Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
Fully registered $1,000 and multiples thereof	Non-callable	None	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7 Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
Fully registered $1,000 and multiples thereof	Non-callable	None	Retractable at holder's option on October 24, 1995. Right may be exercised on July 24, 1995 and thereafter to September 22, 1995	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7 Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1

Continued

Canadian Dollar Bonds Issued in Canada

ISSUE/ SERIES	DESCRIPTION	DATED	AUTHORIZED $(000)	OUTSTANDING DECEMBER 31, 1991 $(000)	INTEREST
CL	9.875%/10.25% Debentures due May 8, 2006	May 8, 1991	46,000	46,000	Semi-annual May 8 November 8 9.875% to May 8, 1996, thereafter 10.25%
CM	9.50% Debentures due October 31, 1996	October 31, 1991	41,000	41,000	Semi-annual April 30 October 31

Canadian Dollar Bonds Issued in Europe

ISSUE/ SERIES	DESCRIPTION	DATED	AUTHORIZED $(000)	OUTSTANDING DECEMBER 31, 1991 $(000)	INTEREST
20	9% Bonds due June 1, 1985/1997	June 1, 1977	25,000	2,406	Annual June 1
33	11.75% Bonds due June 15, 1993	June 15, 1983	25,000	7,207	Annual June 15
EB	9.375% Bonds due June 2, 2001	June 2, 1986	65,500	65,500	Annual June 2

DENOMINATIONS	CALL	SINKING FUND OR MATURITIES NEXT 5 YEARS $(000)	RETRACTION OR EXTENSION	REGISTRAR AND TRANSFER AGENT
Fully registered $1,000 and multiples thereof	Non-callable	None	Retractable at holder's option on May 8, 1996. Right may be exercised on February 8, 1996 and thereafter to April 8, 1996	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7 Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
Fully registered $1,000 and multiples thereof	Non-callable	None	N/A	Municipal Finance Authority of British Columbia 200-800 Douglas St. Victoria, B.C. V8W 2B7 Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1

DENOMINATIONS	CALL	SINKING FUND OR MATURITIES NEXT 5 YEARS $(000)	RETRACTION OR EXTENSION	PRINCIPAL PAYING AGENT/TRUSTEE/ STOCK EXCHANGE LISTING
Coupon–$1,000	Non-callable except upon imposition of withholding taxes	None	Retractable at holder's option on June 1, 1985, 1988, 1991 or 1994. Right may be exercised not more than 360 or less than 90 days prior to June 1	Kredietbank S.A. Luxembourgeoise Luxembourg. Finimtrust S.A. Luxembourg. Luxembourg Stock Exchange Luxembourg
Coupon–$1,000 Fully registered $1,000 and multiples thereof. Exchangeable	Non-callable except for sinking fund purposes or upon imposition of withholding taxes	1992–3,428 1993–3,779	N/A	Kredietbank S.A. Luxembourgeoise Luxembourg. Finimtrust S.A. Luxembourg. Luxembourg Stock Exchange Luxembourg
Coupon–$1,000	Non-callable except upon imposition of withholding taxes	None	N/A	Kredietbank S.A. Luxembourgeoise Luxembourg. Luxembourg Stock Exchange Luxembourg

U.S. Dollar Bonds Issued in the United States of

ISSUE/ SERIES	DESCRIPTION	DATED	AUTHORIZED U.S. $(000)	OUTSTANDING DECEMBER 31, 1991 U.S. $(000)	INTEREST
1	8.375% Sinking Fund Debentures due October 1, 1996	October 1, 1971	20,000	3,354	Semi-annual April 1 October 1
12	9.75% Sinking Fund Debentures due January 15, 2000	January 15, 1975	34,500	9,934	Semi-annual January 15 July 15
17	9.875% Sinking Fund Debentures due November 1, 2000	November 1, 1975	37,000	13,131	Semi-annual May 1 November 1
18	8.875% Sinking Fund Debentures due May 1, 2001	May 1, 1976	52,500	20,219	Semi-annual May 1 November 1
19	8.75% Sinking Fund Debentures due October 15, 2001	October 15, 1976	50,000	24,537	Semi-annual April 15 October 15
22	9.25% Sinking Fund Debentures due June 1, 1998	June 1, 1978	29,363	16,677	Semi-annual June 1 December 1
	9.375% Sinking Fund Debentures due June 1, 2003	"	4,737	3,495	"
28	13.75% Sinking Fund Debentures due December 1, 2005	December 1, 1980	90,000	65,995	Semi-annual June 1 December 1

U.S. Dollar Bonds Issued in Europe

ISSUE/ SERIES	DESCRIPTION	DATED	AUTHORIZED U.S. $(000)	OUTSTANDING DECEMBER 31, 1991 U.S. $(000)	INTEREST
EA	Retractable Bonds due October 28, 2000/2005	October 28, 1985	50,000	48,000	Annual October 28 Rate 11.25% until October, 2000. Rate will be reset from October 29, 2000

America

DENOMINATIONS	CALL	SINKING FUND NEXT FIVE YEARS U.S. $(000)	AUTHENTICATING AND PAYING AGENT
Fully registered U.S. $1,000 and multiples thereof	Non-callable except for sinking fund purposes	1992–567 1993–615 1994–666 1995–722 1996–784	Bank of Montreal Trust Company 77 Water Street New York, N.Y. 10005
Fully registered U.S. $1,000 and multiples thereof	Called February 20, 1992 at 103.50%		Bank of Montreal Trust Company 77 Water Street New York, N.Y. 10005
Fully registered U.S. $1,000 and multiples thereof	Called February 20, 1992 at 103.25%		Bank of Montreal Trust Company 77 Water Street New York, N.Y. 10005
Fully registered U.S. $1,000 and multiples thereof	Called February 20, 1992 at 102.75%		Bank of Montreal Trust Company 77 Water Street New York, N.Y. 10005
Fully registered U.S. $1,000 and multiples thereof	Called February 20, 1992 at 102.75%		Bank of Montreal Trust Company 77 Water Street New York, N.Y. 10005
Fully registered U.S. $1,000 and multiples thereof	Non-callable except for sinking fund purposes. Optional redemption– Tenders may be called from all holders	1992–2,166 1993–2,366 1994–2,476 1995–2,705 1996–2,119	Bank of Montreal Trust Company 77 Water Street New York, N.Y. 10005
"	"	1992–170 1993–185 1994–203 1995–222 1996–242	
Fully registered U.S. $1,000 and multiples thereof	Non-callable except for sinking fund purposes prior to Dec. 1, 1995. On Dec. 1, 1995 and thereafter at 105.02% declining by 0.56% on each Dec. 1, to 100% on or after Dec. 1, 2004	1992–3,633 1993–4,134 1994–4,705 1995–5,354 1996–5,956	Bank of Montreal Trust Company 77 Water Street New York, N.Y. 10005

DENOMINATIONS	CALL	SINKING FUND NEXT 5 YEARS U.S. $(000)	RETRACTION	FISCAL AGENT/ STOCK EXCHANGE LISTING
Coupon– U.S. $1,000 U.S. $5,000	Callable on October 28, 1993 and thereafter at 103% declining by 0.50% on each October 28, to 100% on or after October 28, 1999	None	Retractable at holder's option on October 28, 2000. Right may be exercised not more than 30 days or less than 15 days prior to October 28, 2000	Kredietbank S.A. Luxembourgeoise Luxembourg. Luxembourg Stock Exchange Luxembourg

POOLED INVESTMENTS

Auditors' Report 1991

TO THE MEMBERS OF THE MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

We have audited the balance sheets of the Money Market Fund and Bond Fund of the Municipal Finance Authority of British Columbia and the combined balance sheet of these funds as at December 31, 1991, and the statements of operations and changes in net assets and changes in investments and the combined statements of operations and changes in net assets and change in investments for these funds for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Money Market Fund and Bond Fund of the Municipal Finance Authority of British Columbia as at December 31, 1991 and the results of their operations and the changes in their net assets for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat Marwick Thorne

CHARTERED ACCOUNTANTS

Victoria, British Columbia, Canada
January 31, 1992

POOLED INVESTMENTS

Balance Sheets

DECEMBER 31, 1991–WITH COMPARATIVE FIGURES FOR 1990 — THOUSANDS OF DOLLARS

	MONEY MARKET FUND		BOND FUND		COMBINED	
	1991	1990	1991	1990	1991	1990
ASSETS						
Cash	$ 103	17	6,979	43	7,082	60
Investments (Note 2) (Schedules)	272,845	130,294	61,992	32,845	334,837	163,139
Accrued interest receivable	611	–	1,042	969	1,653	969
	273,559	130,311	70,013	33,857	343,572	164,168
LIABILITIES						
Accrued management fees	38	18	11	4	49	22
Due to investment dealers	–	–	–	498	–	498
Unitholder payable	–	1	–	–	–	1
	38	19	11	502	49	521
Net assets	$ 273,521	130,292	70,002	33,355	343,523	163,647
UNITHOLDERS' EQUITY (NOTE 1)						
Units outstanding, beginning of the year	$ 130,292	93,970	33,355	22,347	163,647	116,317
Subscriptions	620,308	409,761	42,828	22,208	663,136	431,969
Distributions reinvested	21,948	15,162	7,301	2,606	29,249	17,768
Redemptions	(499,027)	(388,601)	(13,482)	(13,806)	(512,509)	(402,407)
	$ 273,521	130,292	70,002	33,355	343,523	163,647

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

SECRETARY-TREASURER

POOLED INVESTMENTS

Statements of Operations

YEAR ENDED DECEMBER 31, 1991–WITH COMPARATIVE FIGURES FOR 1990 THOUSANDS OF DOLLARS

	MONEY MARKET FUND		BOND FUND		COMBINED	
	1991	1990	1991	1990	1991	1990
INVESTMENT INCOME						
Income–interest	$ 22,127	15,309	3,448	2,465	25,575	17,774
Expense–management fees	360	177	82	34	442	211
Net investment income	21,767	15,132	3,366	2,431	25,133	17,563
REALIZED GAIN (LOSS) ON INVESTMENTS						
Proceeds from investments sold or matured	1,491,749	1,203,325	122,999	93,263	1,614,748	1,296,588
Investments at cost, beginning of the year	130,294	94,351	32,692	21,162	162,986	115,513
Cost of investments purchased	1,613,509	1,224,030	147,854	104,533	1,761,363	1,328,563
Accretion of discounts	20,610	15,208	357	415	20,967	15,623
Investments at cost, end of the year	(272,845)	(130,294)	(59,763)	(32,692)	(332,608)	(162,986)
Cost of investments sold or matured	1,491,568	1,203,295	121,140	93,418	1,612,708	1,296,713
Net realized gain (loss) on investments	181	30	1,859	(155)	2,040	(125)
UNREALIZED GAIN (LOSS) ON INVESTMENTS						
Appreciation (depreciation), beginning of the year	–	–	153	(177)	153	(177)
Appreciation, end of the year	–	–	2,229	153	2,229	153
Net unrealized gain on investments	–	–	2,076	330	2,076	330
Net gain on investments	181	30	3,935	175	4,116	205
NET CHANGE IN NET ASSETS FROM OPERATIONS	$ 21,948	15,162	7,301	2,606	29,249	17,768

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

POOLED INVESTMENTS

Statements of Changes in Net Assets

YEAR ENDED DECEMBER 31, 1991 – WITH COMPARATIVE FIGURES FOR 1990 THOUSANDS OF DOLLARS

	MONEY MARKET FUND		BOND FUND		COMBINED	
	1991	**1990**	**1991**	**1990**	**1991**	**1990**
NET ASSETS, beginning of the year	**$ 130,292**	93,970	**33,355**	22,347	**163,647**	116,317
Changes during the year resulting from:						
Operations	**21,948**	15,162	**7,301**	2,606	**29,249**	17,768
Distributions to unitholders	**(21,948)**	(15,162)	**(7,301)**	(2,606)	**(29,249)**	(17,768)
Units, issue and redemption:						
Subscriptions	**620,308**	409,761	**42,828**	22,208	**663,136**	431,969
Distributions reinvested	**21,948**	15,162	**7,301**	2,606	**29,249**	17,768
Redemptions	**(499,027)**	(388,601)	**(13,482)**	(13,806)	**(512,509)**	(402,407)
Net change in net assets	**143,229**	36,322	**36,647**	11,008	**179,876**	47,330
NET ASSETS, end of the year	**$ 273,521**	130,292	**70,002**	33,355	**343,523**	163,647

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

POOLED INVESTMENTS

Notes to Financial Statements

DECEMBER 31, 1991

1 Organization

The Pooled Investment Funds are established and operate under Section 13.1 of the Municipal Finance Authority Act. Two funds are maintained:

(a) Money Market Fund which commenced operations on May 1, 1989; and

(b) Bond Fund which commenced operations on May 10, 1989.

Both funds are authorized to issue an unlimited number of units, each of which represents an equal undivided interest in the net assets of the respective funds, pro rata, with all other units from time to time issued and outstanding. Units are issued or redeemed at $1,000 per unit.

2 Significant accounting policies

A summary of significant accounting policies for each fund is as follows:

MONEY MARKET FUND

(a) Investments are carried at amortized cost which approximates market value.

(b) Interest income is recognized as earned.

(c) Management fees are accrued daily at the rate of 3/20 of 1 percent per annum of the net assets of the fund and are paid monthly to the Operating Fund of the Municipal Finance Authority of British Columbia.

(d) Net change in net assets from operations is distributed to unitholders daily as additional units of the fund.

BOND FUND

(a) Investments are carried at market values which are determined as follows:
Bonds and debentures – at the quoted mid-market value; and
Treasury bills, short-term notes, etc. – at amortized cost which approximates market value.

(b) Investment transactions are accounted for on the trade date and gains/losses from such transactions are calculated on an average cost basis.

(c) Interest income is recognized as earned.

(d) Management fees are accrued weekly, and at month-end, at the rate of 1/5 of 1 percent per annum of the net assets of the fund and are paid monthly to the Operating Fund of the Municipal Finance Authority of British Columbia.

(e) Net change in net assets from operations is distributed to unitholders weekly, and at month-end, as additional units of the fund.

POOLED INVESTMENTS

Money Market Fund–Schedule of Investments

DECEMBER 31, 1991 — THOUSANDS OF DOLLARS

	MATURITY	PAR	COST	%
MONEY MARKET SECURITIES OF				
Government of Canada:				
Treasury bills	February 7, 1992	$ 2,950	2,925	
Treasury bills	February 14, 1992	600	594	
Treasury bills	February 21, 1992	5,400	5,335	
Treasury bills	February 28, 1992	5,900	5,820	
Treasury bills	March 27, 1992	8,400	8,233	
Treasury bills	April 10, 1992	450	441	
Treasury bills	August 14, 1992	5,400	5,130	
Treasury bills	October 16, 1992	3,450	3,259	
Coupons	March 6, 1992	10,000	9,838	
Coupons	March 15, 1992	1,395	1,369	
Coupons	September 1, 1992	1,300	1,226	
Coupons	September 5, 1992	2,300	2,165	
		47,545	46,335	16.98
Provinces:				
British Columbia	January 10, 1992	3,000	2,993	
British Columbia	January 22, 1992	7,000	6,963	
New Brunswick	June 30, 1992	2,000	1,914	
Quebec	June 15, 1992	2,500	2,370	
Quebec	June 22, 1992	1,325	1,298	
Quebec Hydro	July 5, 1992	2,500	2,388	
Saskatchewan	April 10, 1992	1,435	1,401	
		19,760	19,327	7.08
Corporations–Financial:				
Avco Financial Services Limited	May 20, 1992	10,000	9,715	
Bank of Montreal	February 17, 1992	2,500	2,472	
Bank of Montreal	March 18, 1992	1,600	1,572	
Banque Nationale de Paris	July 27, 1992	5,000	4,757	
Caisse Centrale Desjardins	March 20, 1992	1,400	1,377	
Caisse Centrale Desjardins	April 16, 1992	5,000	4,889	
Caisse Centrale Desjardins	May 1, 1992	6,900	6,731	
Canadian Imperial Bank of Commerce	January 15, 1992	5,000	4,983	
Canadian Imperial Bank of Commerce	February 14, 1992	3,300	3,265	
CIBC Mortgage Corporation	June 8, 1992	2,300	2,331	
The T. Eaton Acceptance Co. Limited	January 23, 1992	700	697	
Ford Credit Canada Limited	March 31, 1992	3,100	3,044	
Ford Credit Canada Limited	May 4, 1992	5,100	4,973	
Ford Credit Canada Limited	May 11, 1992	1,200	1,211	
Ford Credit Canada Limited	August 17, 1992	10,000	9,460	
General Motors Acceptance Corporation of Canada Limited	January 2, 1992	2,500	2,499	
General Motors Acceptance Corporation of Canada Limited	January 21, 1992	2,600	2,588	
	Carried forward	68,200	66,564	

continued

POOLED INVESTMENTS

Money Market Fund–Schedule of Investments

DECEMBER 31, 1991 — THOUSANDS OF DOLLARS

	MATURITY		PAR	COST	%
Corporations–Financial: Continued					
	Brought forward	$	68,200	66,564	
General Motors Acceptance Corporation of Canada Limited	January 24, 1992		7,000	6,962	
General Motors Acceptance Corporation of Canada Limited	April 29, 1992		8,000	7,807	
General Motors Acceptance Corporation of Canada Limited	September 25, 1992		5,200	5,368	
Hongkong Bank of Canada	January 24, 1992		500	498	
Household Financial Corporation	March 17, 1992		5,000	4,921	
Household Financial Corporation	March 24, 1992		5,000	4,914	
Household Financial Corporation	April 1, 1992		2,000	1,963	
Household Financial Corporation	April 2, 1992		6,000	5,887	
Laurentian Bank of Canada	January 6, 1992		7,000	6,990	
Montreal Trust Company	March 18, 1992		3,300	3,241	
Montreal Trust Company	August 5, 1992		10,000	9,488	
National Trust Company	January 9, 1992		800	798	
National Trust Company	May 1, 1992		7,000	7,058	
National Trust Company	August 24, 1992		4,000	4,028	
Royal Bank of Canada	March 20, 1992		5,400	5,313	
Sears Acceptance Company Inc.	October 1, 1992		1,200	1,203	
Swiss Bank Corporation (Canada)	February 26, 1992		1,900	1,878	
Union Bank of Switzerland (Canada)	February 26, 1992		1,900	1,878	
			149,400	146,759	53.79
Corporations–Utilities:					
Gaz Metropolitan Inc.	January 22, 1992		1,200	1,194	
Union Gas Limited	February 25, 1992		5,800	5,733	
Union Gas Limited	March 26, 1992		6,500	6,386	
			13,500	13,313	4.88
Corporations–Other:					
B.C. Gas Inc.	January 6, 1992		5,900	5,852	
B.C. Gas Inc.	January 7, 1992		2,750	2,746	
B.C. Gas Inc.	September 25, 1992		5,000	5,000	
Imasco Limited	April 1, 1992		10,000	9,815	
Maclean Hunter Limited	January 3, 1992		5,000	4,997	
Maclean Hunter Limited	January 7, 1992		3,000	2,995	
Petro Canada	January 3, 1992		5,000	4,996	
Southam Inc.	February 19, 1992		9,700	9,587	
Southam Inc.	March 19, 1992		1,100	1,083	
			47,450	47,111	17.27
		$	277,655	272,845	100.00

POOLED INVESTMENTS

Bond Fund–Schedule of Investments

DECEMBER 31, 1991 — THOUSANDS OF DOLLARS

	MATURITY		PAR	MARKET	%
Government of Canada Bonds and Coupons:					
0.000% Government of Canada	December 1, 1994	$	830	664	
0.000% Government of Canada	April 1, 1995		2,590	2,003	
10.750% Government of Canada	December 15, 1995		14,150	15,501	
8.750% Government of Canada	June 1, 1996		4,105	4,261	
0.000% Government of Canada	June 1, 1996		1,500	1,055	
9.250% Government of Canada	May 15, 1997		550	585	
10.750% Government of Canada	March 15, 1998		4,300	4,861	
			28,025	28,930	46.67
Provincial Government Bonds and Coupons:					
0.000% British Columbia Hydro & Power Corporation	June 4, 1993		1,000	901	
9.625% Province of Manitoba	September 3, 1992		550	583	
0.000% Province of Manitoba	September 5, 1993		577	509	
0.000% Province of Manitoba	March 5, 1995		2,216	1,700	
9.875% Province of Manitoba	July 13, 1992/1998		750	785	
11.625% Province of New Brunswick	June 6, 1995		300	325	
12.750% Nova Scotia Municipal Financing Corporation	September 7, 1998		200	238	
11.625% Province of Nova Scotia	February 20, 1995		925	998	
0.000% Ontario Hydro	August 28, 1994		975	794	
10.625% Ontario Hydro	February 19, 1997		3,700	4,042	
10.750% Province of Ontario	May 1, 1996		1,950	2,115	
0.000% Hydro-Quebec	February 15, 1993		682	626	
0.000% Hydro-Quebec	March 27, 1994		975	818	
			14,800	14,434	23.28
Corporate Notes–Financial:					
10.200% Ford Credit Canada Limited	September 25, 1994		500	518	
10.250% Ford Credit Canada Limited	September 15, 1994		950	985	
7.560% General Motors Acceptance Corporation of Canada Limited	April 1, 1992		100	98	
10.450% General Motors Acceptance Corporation of Canada Limited	July 16, 1993		250	257	
9.500% IAC Limited	July 15, 1994		590	605	
10.750% Montreal Trust Company	November 15, 1994		900	950	
11.375% National Trust Company	February 8, 1993		365	377	
10.625% National Trust Company	June 21, 1993		500	513	
10.000% National Trust Company	August 30, 1993		500	515	
9.875% Royal Trust Corporation of Canada	March 31, 1993		1,000	1,014	
10.300% Royal Trust Corporation of Canada	July 7, 1993		300	307	
10.150% Scotia Mortgage Corporation	February 25, 1994		300	313	
10.450% Scotia Mortgage Corporation	November 1, 1994		750	795	
10.000% Sears Acceptance Company Inc.	October 3, 1993		298	306	
			7,303	7,553	12.18

Continued

POOLED INVESTMENTS

Bond Fund–Schedule of Investments

DECEMBER 31, 1991

THOUSANDS OF DOLLARS

	MATURITY		PAR	MARKET	%
Corporate Bonds, Coupons and Notes–Utilities:					
0.000% Bell Canada	November 15, 1996	$	750	497	
8.420% Union Gas Limited	January 3, 1992		600	595	
12.750% Union Gas Limited	March 15, 1993		600	631	
			1,950	1,723	2.78
Corporate Bonds, Coupons and Notes–Other:					
10.350% B.C. Gas Inc.	September 24, 1993		500	518	
10.500% Imasco Limited	July 7, 1993		250	257	
10.350% Imasco Limited	June 13, 1994		500	523	
11.850% Imasco Limited	February 15, 1996		250	277	
10.500% Imasco Limited	November 20, 1996		1,000	1,073	
10.200% Imasco Limited	July 17, 1995		500	523	
0.000% Loblaw Companies Limited	May 23, 1995		747	556	
12.200% Maclean Hunter Limited	July 19, 1995		1,000	1,100	
0.000% George Weston Limited	November 8, 1993		152	132	
			4,899	4,959	8.00
Government of Canada:					
Treasury bills	January 3, 1992		250	250	
Treasury bills	January 17, 1992		100	99	
Treasury bills	March 6, 1992		3,200	3,158	
Treasury bills	March 13, 1992		500	493	
Treasury bills	March 20, 1992		250	246	
Treasury bills	April 10, 1992		150	147	
			4,450	4,393	7.09
		$	61,427	61,992	100.00

POOLED INVESTMENTS

Participants 1991

REGIONAL DISTRICTS

Bulkley-Nechako
Cariboo
Central Kootenay
Central Okanagan
Columbia Shuswap
Cowichan Valley
East Kootenay
Fraser-Fort George
Kitimat-Stikine
Kootenay Boundary
Mount Waddington
Nanaimo
Okanagan-Similkameen
Peace River
Powell River
Skeena-Queen Charlotte
Squamish-Lillooet
Sunshine Coast

MUNICIPALITIES

Abbotsford
Armstrong
Burnaby
Burns Lake
Cache Creek
Campbell River
Castlegar
Central Saanich
Chase
Chetwynd
Chilliwack
Clinton
Coldstream
Colwood
Coquitlam
Courtenay
Cranbrook
Creston
Cumberland
Dawson Creek
Duncan
Elkford
Esquimalt
Fort St. John
Gibsons
Golden
Gold River
Granisle
Greenwood
Houston
Invermere
Kamloops
Kelowna
Kitimat
Lake Cowichan
Langley
Lillooet
Lumby
Mackenzie
Maple Ridge
McBride
Metchosin
Midway
Mission
Nakusp
Nanaimo
Nelson
North Saanich
Oliver
Parksville
Peachland
Pemberton
Penticton
Port Alberni
Port Alice
Port Coquitlam
Port Hardy
Port McNeill
Pouce Coupe
Powell River
Prince George
Prince Rupert
Princeton
Qualicum Beach
Quesnel
Radium Hot Springs
Richmond
Rossland
Saanich
Salmon Arm
Sayward
Sechelt
Silverton
Smithers
Summerland
Surrey
Tahsis
Terrace
Tumbler Ridge
Valemount
Vernon
Victoria
View Royal
West Vancouver
White Rock
Williams Lake

Investment Returns to December 31, 1991*

	MONEY MARKET FUND	BOND FUND
1 Month	0.73%	1.48%
3 Months	2.15%	4.84%
6 Months	4.47%	10.87%
1 Year	10.00%	18.95%
2 Years	11.68%	15.17%
Since inception	11.93%	14.30%

* Up to 1 year–represents percentage change in value

Over 1 year–represents average annual compound rate of return

INTERIM FINANCING

Auditors' Report 1991

TO THE MEMBERS OF THE MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

We have audited the balance sheets of the Short Term Debt Fund of the Municipal Finance Authority of British Columbia as at December 31, 1991, and the statements of revenue, expenditure and surplus and changes in financial position for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Short Term Debt Fund of the Municipal Finance Authority of British Columbia as at December 31, 1991 and the results of their operations and the changes in their net assets for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat Marwick Thorne

CHARTERED ACCOUNTANTS

Victoria, British Columbia, Canada
January 31, 1992

INTERIM FINANCING

Short Term Debt Fund

Balance Sheet

DECEMBER 31, 1991–WITH COMPARATIVE FIGURES FOR 1990 — THOUSANDS OF DOLLARS

	1991	1990
ASSETS		
Cash	$ 1	–
Notes receivable–including accrued interest (Note 3)	3,683	400
	$ 3,684	400
LIABILITIES AND SURPLUS		
Bank loan payable–including accrued interest (Note 4)	$ 3,195	–
Notes payable–including accrued interest	487	400
	3,682	400
Surplus, per accompanying statement	2	–
	$ 3,684	400

Statement of Revenue, Expenditure and Surplus

YEAR ENDED DECEMBER 31, 1991–WITH COMPARATIVE FIGURES FOR 1990 — THOUSANDS OF DOLLARS

	1991	1990
REVENUE		
Interest	$ 251	–
EXPENDITURE		
Interest	246	–
Management fees (Note 5)	3	–
	249	–
Excess of revenue over expenditure for the year	$ 2	–

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

SECRETARY-TREASURER

INTERIM FINANCING
Short Term Debt Fund
Statement of Changes in Financial Position

YEAR ENDED DECEMBER 31, 1991 – WITH COMPARATIVE FIGURES FOR 1990 — THOUSANDS OF DOLLARS

	1991	1990
OPERATING ACTIVITIES		
Excess of revenue over expenditure for the year	$ 2	–
Increase in accrued interest receivable	(7)	–
Increase in accrued interest payable	7	–
Cash provided by operating activities	2	–
FINANCING ACTIVITIES		
Bank loan	3,195	–
Increase in notes payable	87	400
Increase in notes receivable	(3,283)	(400)
Cash applied to financing activities	(1)	–
Increase in cash	1	–
Cash, beginning of the year	–	–
Cash, end of the year	$ 1	–

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Notes to Financial Statements

DECEMBER 31, 1991

1 Organization

The interim financing program was established on December 31, 1990 and operates under Section 9.1 of the Municipal Finance Authority Act.

2 Significant accounting policies

A summary of significant accounting policies is as follows:
(a) Interest income is recognized as earned, and
(b) Interest payable is accrued on a daily basis.

3 Notes receivable

The notes receivable relate to loans for the following purposes:

	1991	1990
		THOUSANDS OF DOLLARS
Temporary financing of capital projects	$ 2,520	–
Short-term capital borrowing up to five years	1,163	400
	$ 3,683	400

4 Bank loan

The Authority has entered into an agreement under which the bank provides a revolving credit facility for the interim financing requirements until December 31, 1992 (extendable semi-annually at the option of the bank for successive 6-month periods provided that availability shall not extend past December 31, 1994).

5 Management fees

The management fees are paid to the Operating Fund of the Municipal Finance Authority of British Columbia.